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OTTAWA FOR ROBERT MERRIGAN

E.O. 12958: N/A
TAGS: CA ETTC KOMC
SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK
ON LICENSES 050085764, 050041335, 050024484, 050074594,
050064829, 050040825, AND 050057178

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. (U) This is an Action Request. See paragraphs 2 - 4.

¶2. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a post-shipment check on licenses 050085764, 050041335, 050024484, 050074594, 050064829, 050040825, and 050057178 for the export of firearms and components to Canada. Post is requested to complete this Blue Lantern check within 45 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. (SBU) Reason for Request: To ensure that the items received by end-user are the same as the defense articles authorized by the Directorate of Defense Trade Controls (DDTC) in the licenses detailed below. Also, to verify that the defense articles are being used for the purposes stated in their respective licenses. Confidential reporting has suggested that U.S. exporter, Questar, may exporting unauthorized items such as threaded barrels and telescoping stocks. Immigration and Customs Enforcement (ICE) intelligence indicates end-user, Mark Herzog, may have a criminal record.

¶4. (U) Action Request: Post is requested to verify that the items received by end-user, Mark Herzog, match those authorized by the licenses detailed below. Post is also requested to verify that the authorized defense articles are being used for the purposes stated in these licenses. In doing so, Post should review end-user's records to establish the ultimate end-users of all defense articles that were resold on the commercial market. Post should verify that the ultimate end-users reside in Canada.

In its reply, Post is encouraged to comment on any other information pertinent to these transactions, in particular the security of facilities, the discovery of prohibited items such as threaded barrels and telescoping stocks, or concerns about the entities involved. DDTC recommends that Embassy enlist the support of law enforcement personnel at post such as ICE and ATFE for technical expertise in identifying possibly unauthorized items.

¶5. (U) Details of license application:

¶A.

DTC Case: 050085764

QUANTITY/COMMODITY:

10 EEA - Izhmash Biathlon 7-2, 7-3, 7-4 Bolt Action Rifles (.22 LR)

100 Parts, Components, and Accessories for Izhmash Firearms

50 EEA - Izhmash 10-Round Magazines (.22 LR)

License Value: USD \$21,500

SELLER:

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

IB.

DTC Case: 050041335

QUANTITY/COMMODITY:

250 Parts and accessories including sights, grips, and magazines for warranty replacement and repair

200 Magazines manufactured by Rock River Arms

50 1911 LAR Semi-automatic Pistols (.45 ACP, .40 caliber, 9mm, .223 caliber, .22 caliber, .38 Super)

License Value: USD \$112,500

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

IC.

DTC Case: 050024484

QUANTITY/COMMODITY:

20 Browning Buckmark Semi-automatic Pistols (.22 Caliber)

200 Parts and Accessories for Browning Semi-automatic Pistols

20 Browning Hi-Power Pistols (9mm and .40 Caliber)

License Value: USD \$40,000

Questar International
2758 Michigan Road

Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

1D.

DTC Case: 050074594

QUANTITY/COMMODITY:

10 M1A Nation Match Semi-automatic Rifles (.308 caliber)

50 Parts and Accessories for M1A Rifles

License Value: USD \$20,500

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

1E.

DTC Case: 050064829

QUANTITY/COMMODITY:

25 Sako Hunter Semi-automatic Rifles (.223, .308, 7.39x39,
7.62x39 Caliber)

200 Sako Parts for Replacement and Repair

25 Sako Models 75, 85, and T3 Bolt Action Rifles (.223, .308,
7.39x39, 7.62x39 Caliber)

License Value: USD \$55,000

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9

Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

IF.

DTC Case: 050040825

QUANTITY/COMMODITY:

25 Bushmaster AR-15, XM-15 Semi-automatic Rifles (.223 Caliber)

250 Bushmaster Parts and Accessories including sights, handguards, grips, pins, and triggers.

200 Bushmaster Magazines for AR-15, XM-15 Semi-automatic Rifles

License Value: USD \$40,500

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

IG.

DTC Case: 050057178

QUANTITY/COMMODITY:

10 Chaparral Arms Charter 2000 Model 1876 Carbines (.45-75 caliber)

License Value: USD \$13,000

Questar International
2758 Michigan Road
Port Huron, MI 48060
Tel: 734.765.5107

FOREIGN END-USER:

Mark Herzog
Questar International (CA)
102 Hurst Drive
Barrie, Ontario
Canada
L4N-8K9
Tel: 705.725.0574

PURPOSE:

For commercial resale in Canada.

I6. Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

IA.

Import Certificate No. US 0809975 issued by Foreign Affairs and International Trade Canada on 01/22/2008

DSP-83 Signed by Mark Herzog on 01/24/2008 and Sean Orr on 01/25/2008

Purchase Order no. 2006513 from Questar International dated 01/24/2008

IB.

Import Certificate No. US 706272 issued by Foreign Affairs and International Trade Canada on 03/30/2007

DSP-83 Signed by Mark Herzog on 03/31/2007 and Sean Orr on 04/02/2007

Purchase Order no. 2006293 from Questar International dated 04/01/2007

IC.

Import Certificate No. US 0604917 issued by Foreign Affairs and International Trade Canada on 11/17/2006

DSP-83 Signed by Mark Herzog on 11/23/2006 and Sean Orr on 11/27/2006

Purchase Order no. 2006227 from Questar International dated 11/23/2006

ID.

Import Certificate No. US 0708698 issued by Foreign Affairs and International Trade Canada on 11/01/2007

DSP-83 Signed by Mark Herzog on 11/07/2007 and Sean Orr on 11/08/2007

Purchase Order no. 2006473 from Questar International dated 11/07/2007

IE.

Import Certificate No. US 0707966 issued by Foreign Affairs and International Trade Canada on 08/23/2007

DSP-83 Signed by Mark Herzog on 09/03/2007 and Sean Orr on 09/05/2007

Purchase Order no. 2006412 from Questar International dated 09/03/2007

IF.

Import Certificate No. US 0705913 issued by Foreign Affairs and International Trade Canada on 02/27/2007

DSP-83 Signed by Mark Herzog on 03/03/2007 and Sean Orr on 04/02/2007

Purchase Order no. 2006278 from Questar International dated 03/03/2007

IG.

Import Certificate No. US 0707549 issued by Foreign Affairs and International Trade Canada on 07/12/2007

DSP-83 Signed by Mark Herzog on 07/17/2007 and Sean Orr on 07/18/2007

Purchase Order no. 2006389 from Questar International dated 07/17/2007

I7. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR

and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet:
<http://virtuallibrary.state.gov/>
BlueLanternGuidebook2006%2520 final .pdf

¶ 8. Department is grateful for Post's assistance in this matter.

RICE